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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte GERALD H. ABLAN

Appeal 2008-2405
Application 09/644,411
Technology Center 3600

Decided: November 4, 2008

Before LINDA E. HORNER, ANTON W. FETTING, and
MICHAEL W. O'NEILL, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Gerald H. Ablan (Appellant) seeks review under 35 U.S.C. § 134 of a final rejection of claims 67-85, the only claims pending in the application on appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

1 We AFFIRM.

2 The Appellant invented an auction management system providing for
3 consolidated auction posting and automatic monitoring of multiple auctions
4 on multiple auction sites. (Specification 1:13-16).

5 An understanding of the invention can be derived from a reading of
6 exemplary claim 67, which is reproduced below [bracketed matter and some
7 paragraphing added].

8 67. A computer-readable medium storing computer-executable
9 instructions for causing a computer-controlled apparatus to
10 implement an auction management system, comprising:

11 [1] a menu-driven utility configured

12 to assemble auction submissions from

13 predefined advertisement templates,

14 product images,

15 textual descriptions, and

16 user-specified auction parameters

17 entered into the advertisement templates, and

18 to store the auction submissions in an electronic auction
19 submission library;

20 [2] an electronic auction monitoring report

21 configured to display a plurality of auction management
22 records within a common view,

23 wherein each auction management record

24 displays information pertaining to a

25 respective auction submission and

26 comprises tracking fields identifying post-
27 sale activities to be performed in connection
28 with the sale,

29 wherein the view of each tracking

30 field is alterable to indicate a

31 completion status of its associated
32 post-sale activity; and

33 [3] an auction consolidation engine configured

1 to post the auction submissions to one or more electronic
2 auctions in accordance with the user-specified auction
3 parameters,
4 automatically revisit the auction sites,
5 extract updated auction information pertaining to the
6 auction submissions,
7 update the auction monitoring report with the updated
8 auction information,
9 determine that a successful auction submission has
10 resulted in a sale to a buyer, and
11 update the auction management record for the successful
12 auction submission with closed auction data associated
13 with the sale.

14
15 This appeal arises from the Examiner's Final Rejection, mailed
16 November 6, 2006. The Appellant filed an Appeal Brief in support of the
17 appeal on July 18, 2007. An Examiner's Answer to the Appeal Brief was
18 mailed on October 18, 2007. A Reply Brief was filed on December 18,
19 2007. Oral arguments were presented at a hearing on October 21, 2008.

20
21 **PRIOR ART**

22 The Examiner relies upon the following prior art:

23 Robinson	US 5,915,022	Jun. 22, 1999
24 Conklin	US 6,141,653	Oct. 31, 2000
25 Rackson	US 6,415,270 B1	Jul. 2, 2002

26
27 **REJECTIONS**

28 Claims 67-69, 71-75, 77, 79-82, and 85 stand rejected under 35 U.S.C.
29 § 103(a) as unpatentable over Rackson and Conklin.

30 Claims 70, 76, 78, 83, and 84 stand rejected under 35 U.S.C. § 103(a)
31 as unpatentable over Rackson, Conklin, and Robinson.

ISSUES

2 The issues pertinent to this appeal are

- Whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 67-69, 71-75, 77, 79-82, and 85 under 35 U.S.C. § 103(a) as unpatentable over Rackson and Conklin.
- Whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 70, 76, 78, 83, and 84 under 35 U.S.C. § 103(a) as unpatentable over Rackson, Conklin, and Robinson.

The pertinent issues turn on whether Rackson and Conklin described or otherwise rendered predictable the menu driven utility and report with alterable tracking fields of the claims.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Rackson

01. Rackson is directed to auction systems where a user specifies parameters of an item for sale in the auction system and where bidders submit offers for the items for auction (Rackson 1:14-17).
02. When Rackson refers to an auction, it is referring to any dynamic pricing system for sale and purchase of goods and services, where the ultimate price paid by a buyer is not set in advance by the seller, but rather a function of demand and supply as determined during the selling process. An auction may involve buyers competitively bidding for goods and services, sellers

1 competitively offering goods and services, or buyers and sellers
2 converging on a mutually agreeable price and quantity of goods
3 and services to be exchanged (Rackson 1:28-36).

4 03. When Rackson refers to a multi-auction service, it refers to a
5 system of people, computers and communications systems that
6 coordinate the auction listing, bid replication and auction
7 management process. Such a system maintains history of item
8 bids and offers, identifies categories for auction items, and
9 provides means for bidders or sellers to specify parameters of the
10 bidding and selling process such that the multi-auction service
11 acts as an agent for either the bidder or seller to achieve an
12 optimal bid price and set of transactions from the client's
13 perspective (Rackson 2:36-45).

14 04. Rackson's multi-auction service has the means for replicating
15 an item to be auctioned at a plurality of networked remote auction
16 services (Rackson 6:67-7:5).

17 05. Rackson's seller or the multi-auction service may specify the
18 selling parameters of an offer to include: starting date and time;
19 closing date and time; reserve price; a successful bid range;
20 quantity of items; item description which may comprise in
21 addition to text, graphic representation such as image file,
22 photograph; audio file; video clip or other content that provides a
23 representation of the item. These parameters may be defined by
24 the seller with assistance by the multi-auction service or may be
25 generated exclusively by the multi-auction service (Rackson 9:25-
26 35).

1 06. Rackson's multi-auction agent performs an optional check to
2 review historical records to determine how similar items have
3 sold. The multi-auction service determines from the historical
4 information the optimal selling parameters to be applied to the
5 items and the optimal remote auction service(s) at which to hold
6 auctions (Rackson 10:57-63).

7 07. Rackson provides a seller with a user interface to the multi-
8 auction service to enter selling parameters of the item to be
9 auctioned (Rackson 19:22-25).

10 08. Rackson establishes shipping and handling partners to facilitate
11 and standardize the methods of shipping the items to be auctioned
12 from the seller to the winning bidder(s). Warehousing partners
13 may be used to temporarily store items to be auctioned and
14 facilitate distribution by the multi-auction service (Rackson 19:52-
15 57).

16 09. Rackson provides a bidder with a user interface to describe
17 parameters of the items to be purchased (Rackson FIG. 12).
18 Rackson provides several menu types of interfaces, including
19 selecting from a list of available categorized item types generated
20 by the system; specifying ending date and time for the bidding
21 using a calendar-like interface; specifying bid strategies where the
22 strategies have been predetermined for the type of item to be
23 purchased; supplying examples of rules that may be selected to
24 allow the multi-auction service to perform the actions associated
25 with implementing the bidding rules (Rackson 24:5-38).

1 10. Rackson provides comprehensive interactive monitoring tools
2 to track bids in progress across multiple remote auction services.
3 The system may provide suggestions to the users as the bidding
4 progresses or the system may implement expert-based tactical
5 bidding strategies that allow for unattended bidding. For example,
6 an Internet-based interface may be provided such that the bidder
7 can view his selected item type, and the rules in force and the
8 selected remote auction service items being tracked (Rackson
9 FIG. 14). The content for active auctions may include an item
10 description with a link to the description of the displayed object,
11 or a thumbnail image of the item replicated from the remote
12 auction service. A separate reduced size depiction of all of the
13 items being tracked may also be appended to the bottom of the
14 interface such that the user may review them locally without
15 navigating to the remote auction service (Rackson 25:56-26:29).

16 *Conklin*

17 11. Conklin is directed to conducting negotiations and creating
18 sponsored communities over a network such as the Internet to
19 enable iterative, multivariate negotiations (Conklin 1:7-10).
20 12. Conklin tracks activity in such negotiations (Conklin 14:5-6),
21 including history of the negotiation (Conklin 14:59-62) and
22 provides payment processing subsequent to negotiation (Conklin
23 14:63-65).
24 13. Conklin's multivariate negotiations engine keeps track of each
25 set of changes in negotiations and displays them so that the
26 changes proposed at each step of the negotiations are clearly and

1 accurately recorded. Conklin automatically displays changes so
2 they can be easily seen and checks to see whether a state change is
3 needed. Depending on the community, the participants, and the
4 transactions involved, state changes could be as simple as
5 payment authorizations sent electronically or as complex as multi-
6 step processes desired by the participants (Conklin 24:18-40).

7 *Robinson*

8 14. Robinson is directed to using digital receipts for electronic
9 transactions (Robinson 1:7-11).

10 *Facts Related To The Level Of Skill In The Art*

11 15. Neither the Examiner nor the Appellant has addressed the level
12 of ordinary skill in the pertinent arts of systems analysis and
13 programming, financial transaction systems, auction systems,
14 database management, and digital communications. We will
15 therefore consider the cited prior art as representative of the level
16 of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d
17 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings
18 on the level of skill in the art does not give rise to reversible error
19 ‘where the prior art itself reflects an appropriate level and a need
20 for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v.*
21 *Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

22 *Facts Related To Secondary Considerations*

23 16. The Appellant placed a declaration under 37 C.F.R. § 1.132 as
24 evidence on record of secondary considerations of non-
25 obviousness for our consideration (“the 132 declaration”).

1 17. The 132 declaration is signed by Daris McCullough, who
2 identifies himself as a joint inventor and the Chief Operating
3 Officer of the assignee, Auctionworks, Inc.

4 18. Mr. McCullough is not identified as a co-inventor on the
5 declaration filed under 37 C.F.R. § 1.63 with the instant
6 application, and Mr. McCullough did not sign a declaration under
7 37 C.F.R. § 1.63 as a co-inventor in the instant application.¹

8 19. The 132 declaration lists the sales for the company for each of
9 the years 2000 through 2004. The largest sales amount is
10 \$5,672,450.

11 20. The 132 declaration states that the entire auction management
12 system is claimed and the auction system as described and
13 claimed is the only feature distinguishing it from other auction
14 management systems.

15 21. The 132 declaration characterizes the sales as a high level of
16 commercial success and concludes that success is entirely
17 attributable to features claimed in the application.

18

19 PRINCIPLES OF LAW

20 *Claim Construction*

21 During examination of a patent application, pending claims are
22 given their broadest reasonable construction consistent with the
23 specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In*
24 *re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

¹ At oral hearing, the Appellant's representative stated that indicating Mr. McCullough as a joint inventor was an unintentional error.

1 Limitations appearing in the specification but not recited in the claim
2 are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d
3 1364, 1369 (Fed. Cir. 2003) (claims must be interpreted “in view of the
4 specification” without importing limitations from the specification into the
5 claims unnecessarily).

6 Although a patent applicant is entitled to be his or her own
7 lexicographer of patent claim terms, in *ex parte* prosecution it must be
8 within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant
9 must do so by placing such definitions in the specification with sufficient
10 clarity to provide a person of ordinary skill in the art with clear and precise
11 notice of the meaning that is to be construed. *See also In re Paulsen*, 30
12 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the
13 specific terms used to describe the invention, this must be done with
14 reasonable clarity, deliberateness, and precision; where an inventor chooses
15 to give terms uncommon meanings, the inventor must set out any
16 uncommon definition in some manner within the patent disclosure so as to
17 give one of ordinary skill in the art notice of the change).

18 *Obviousness*

19 A claimed invention is unpatentable if the differences between it and
20 the prior art are “such that the subject matter as a whole would have been
21 obvious at the time the invention was made to a person having ordinary skill
22 in the art.” 35 U.S.C. § 103(a) (2000); *KSR Int’l Co. v. Teleflex Inc.*, 127 S.
23 Ct. 1727, 1729-30 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14
24 (1966).

25 In *Graham*, the Court held that the obviousness analysis is bottomed
26 on several basic factual inquiries: “[1] the scope and content of the prior art

1 are to be determined; [(2)] differences between the prior art and the claims at
2 issue are to be ascertained; and [(3)] the level of ordinary skill in the
3 pertinent art resolved.” 383 U.S. at 17. *See also KSR Int’l v. Teleflex Inc.*,
4 127 S. Ct. at 1734. “The combination of familiar elements according to
5 known methods is likely to be obvious when it does no more than yield
6 predictable results.” *KSR*, at 1739.

7 “When a work is available in one field of endeavor, design incentives
8 and other market forces can prompt variations of it, either in the same field
9 or a different one. If a person of ordinary skill can implement a predictable
10 variation, § 103 likely bars its patentability.” *Id.* at 1740.

11 “For the same reason, if a technique has been used to improve one
12 device, and a person of ordinary skill in the art would recognize that it would
13 improve similar devices in the same way, using the technique is obvious
14 unless its actual application is beyond his or her skill.” *Id.*

15 “Under the correct analysis, any need or problem known in the field
16 of endeavor at the time of invention and addressed by the patent can provide
17 a reason for combining the elements in the manner claimed.” *Id.* at 1742.

18 ANALYSIS

19 *Claims 67-69, 71-75, 77, 79-82, and 85 rejected under 35 U.S.C. § 103(a) as
20 unpatentable over Rackson and Conklin.*

21 The Appellant argues these claims in three groups, each group being
22 defined by one of the three independent claims 67, 73, and 82.

23 Accordingly, we select claims 67, 73, and 82 as representative of the
24 groups. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

25 The Examiner found that Rackson described all of the claim
26 limitations from each of these claims except for explicit reference to an

1 auction monitoring report and updating the report to include closing
2 information. The Examiner found that Conklin described these limitations
3 for tracking the status of a seller's transactions and that one of ordinary skill
4 would have known that Conklin's system would have made Rackson's more
5 efficient and effective (Answer 3-5).

6 The Appellant presents its arguments three times in each of a
7 summary, comparison, and traversal section in the Appeal Brief. Rather
8 than respond in equal triplicate measure, we will make our findings with
9 respect to the most detailed of these sets of arguments, *viz.* the traversal (Br.
10 16-20).

11 The Appellant presented two lines of argument, one for limitations in
12 claim 73, and one for limitations in claim 82. The Appellant argues that
13 claim 67 incorporates both sets of limitations. The Appellant contends that
14 neither reference describes a menu-driven utility for creating and storing
15 auction submission in claims 67 and 82 (Br. 16-18); or an auction
16 monitoring report with tracking fields for post-sales activities in claims 67
17 and 73 (Br. 18-20).

18 As to the first argument supporting claims 67 and 82 regarding a
19 menu driven utility, it is unclear whether the Appellant is arguing that
20 neither reference describes the use of menus *per se*. To the extent they are
21 so arguing, we find that Rackson provides several menu types of interfaces,
22 including those selecting from a list of available categorized item types
23 generated by the system; specifying ending date and time for the bidding
24 using a calendar-like interface; specifying bid strategies where the strategies
25 have been predetermined for the type of item to be purchased; supplying

1 examples of rules that may be selected to allow the multi-auction service to
2 perform the actions associated with implementing the bidding rules (FF 09).

3 Rackson also describes submitting text and product images, in
4 addition to other user specified parameters, for submitting information
5 regarding items to be sold in auctions (FF 05), and the use of predefined
6 forms in making information submissions (FF 09). Such forms would be
7 instances of templates. Since the information is submitted for the purpose of
8 participating in an auction, and submission of information in an auction is a
9 form of advertising such information, such templates would fit within the
10 scope of advertising templates, as claimed. These data items are stored in a
11 database, and since such data must be indexed in order to be retrieved, such
12 a database would meet the limitation of an electronic auction submission
13 library. Further, Rackson describes replicating these item submissions (FF
14 04), implying that the information is predefined prior to replication.

15 Accordingly all of the elements in claim 67 limitation [1] and the
16 limitations argued in support of claim 82 are shown by Rackson, except for
17 explicitly describing the use of Rackson's template for making auction item
18 submissions in particular. Rackson does describe the use of a user interface
19 for such submission (FF 07). We find that Rackson's description of using
20 such menus for data entry would have suggested Rackson's menus and
21 templates in Rackson's described seller submissions interface as the vehicle
22 for Rackson's auction item information submissions from Rackson's library
23 of data.

24 As to the argument regarding an auction monitoring report in claims
25 67 and 73, we find that Rackson describes the use of interactive monitoring
26 tools during an auction (FF 10), and the recognition that there are post sales

1 activities, such as shipping (FF 08). As the Examiner found, Conklin
2 describes the use of alterable tracking fields to track the status of
3 negotiations in a monitoring report. Such reporting encompassed activity
4 such as payment authorization (FF 12 & 13), which could occur post-sale.
5 Thus, it was known to use such fields in such a report to track the status of
6 any negotiation, and an auction is simply a species of negotiation. When
7 coupled with Rackson's interactive monitoring and acknowledgement of
8 post-sale activity, one of ordinary skill would have seen that Conklin is
9 describing a tool for Rackson's interactive reporting and the alterable status
10 fields in Conklin would have suggested applying such status reporting to all
11 activities including such post-sale activity as payment and shipping in
12 Rackson.

13 The Appellant also argues that it has presented evidence of secondary
14 considerations showing non-obviousness in the form of a 132 declaration.
15 However, the 132 declaration is submitted by one identified as a joint
16 inventor, but who is not entered into the record as such, presents raw dollar
17 amounts of sales as evidence of commercial success with no evidence that
18 those dollar amounts are significant in the market of the claimed subject
19 matter, and has provided no evidence of a nexus between whatever
20 commercial success may have occurred and the limitations claimed (FF 16-
21 19).

22 The 132 declaration provides only the conclusory statements that the
23 entire auction management system is claimed and the auction system as
24 described and claimed is the only feature distinguishing it from other auction
25 management systems, and that the sales represent a high level of commercial
26 success and that success is entirely attributable to features claimed in the

1 application (FF 19-21). Thus, the 132 declaration is unpersuasive as
2 evidence of commercial success attributable to the limitations as claimed of
3 the invention to show lack of obviousness.

4 The Appellant has failed to sustain its burden of showing the
5 Examiner erred in rejecting independent claims 67, 73, and 82. The
6 Appellant recites the limitations in dependent claims 72 and 83-85 (Br. 17)
7 and claims 68-71 and 74-81 (Br. 19), but makes no arguments regarding the
8 Examiner's findings as to those limitations. "A statement which merely
9 points out what a claim recites will not be considered an argument for
10 separate patentability of the claim." 37 C.F.R. § 41.37(c)(1)(vii) (2007).
11 Further, the Appellant only argues that these claims are patentable for the
12 same reasons argued in support of the independent claims *supra*.
13 Accordingly the Appellant has failed to sustain its burden of showing error
14 as to the rejections of these claims as well.

15 The Appellant has not sustained its burden of showing that the
16 Examiner erred in rejecting claims 67-69, 71-75, 77, 79-82, and 85 under 35
17 U.S.C. § 103(a) as unpatentable over Rackson and Conklin.

18 *Claims 70, 76, 78, 83, and 84 rejected under 35 U.S.C. § 103(a) as*
19 *unpatentable over Rackson, Conklin, and Robinson.*

20 The Appellant has made no arguments as to these claims, but relied on
21 its arguments in support of the independent claims. Accordingly, the
22 Appellant has not sustained its burden of showing that the Examiner erred in
23 rejecting claims 70, 76, 78, 83, and 84 under 35 U.S.C. § 103(a) as
24 unpatentable over Rackson, Conklin, and Robinson.

25

CONCLUSIONS OF LAW

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 67-85 under 35 U.S.C. § 103(a) as unpatentable over the prior art.

On this record, the Appellant is not entitled to a patent containing claims 67-85.

DECISION

To summarize, our decision is as follows:

- The rejection of claims 67-69, 71-75, 77, 79-82, and 85 under 35 U.S.C. § 103(a) as unpatentable over Rackson and Conklin is sustained.
- The rejection of claims 70, 76, 78, 83, and 84 under 35 U.S.C. § 103(a) as unpatentable over Rackson, Conklin, and Robinson is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

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